



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

APR 06 2001

Dallas Power and Light Company
TXU Claims and Legal Administration
Michael A. Hunter
1601 Bryan Street
Dallas, TX 75201-3411

908835

RE: RSR Corporation Superfund Site
De minimis Settlement



Dear Mr. Hunter:

In a letter to you dated November 28, 2000, the U. S. Environmental Protection Agency (EPA) notified you that after evaluating the issues raised by the Superfund Recycling Equity Act, EPA had decided not to finalize the de minimis settlement for the RSR Corporation Superfund Site. The EPA's letter also informed you that EPA and the State of Texas would be willing to enter into a settlement under terms identical to those offered in the June 7, 1999, de minimis settlement offer with any party who had accepted the original de minimis settlement offer if EPA received a written request from the party by close of business on January 26, 2001. You are one of seventeen parties who submitted a timely request to settle in response to EPA's November 28 letter.

In order to clearly distinguish this de minimis settlement from the settlement EPA announced that it would not finalize in its November 28, 2000, letter, EPA has created a new Administrative Order on Consent ("AOC") with a new docket number for this matter. A copy of the new AOC, bearing docket number 6-05-01, is enclosed for your benefit (Enclosure 2). Please keep the enclosed copy. It will be your record of the terms of the settlement. We are asking you to submit a new signature page bearing the new docket number. Please review the instructions for completing the new signature page in Enclosure 1. ***Please return your completed signature page to EPA by close of business on April 30, 2001.***

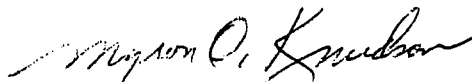
The enclosed AOC is substantially the same as the draft AOC included in EPA's June 7, 1999, letter. A few changes have been made, but the terms of settlement are the same. In response to comments received from a number of parties, the "draft" watermark that appeared on each page of the earlier document has been removed. Several typographical errors have been corrected, and the printer font has been changed from Courier to Times New Roman (which takes fewer pages). Paragraph 37 has been revised to permit EPA to use all of the money it receives as a result of the settlement to help pay for future response actions at the RSR Site. This change

involves only EPA's internal financial management practices and does not change the extent of the protection you receive from the contribution protection provisions and the covenants not to sue by the United States as contained in the original AOC. The format of Paragraph 47 has been revised to eliminate the single subparagraph, but the provision is still the same. In order to save a substantial amount of paper, the information relevant to the Respondents from the contribution ranking lists attached to the draft AOC as Appendices C and D has been consolidated into a single document attached as Appendix A to the new AOC, and the references to the Appendices have been revised to reflect this change. The caption for the case (including the new docket number) has been added to the EPA and State signature pages to make it clear what document EPA and the State signed.

As provided in Paragraphs 58 - 61 of the AOC, the AOC is subject to public comment and approval requirements under both State and Federal law. We will keep you informed as this settlement proceeds through the comment and approval processes. Please note that your payments will not be due to EPA and the State until you receive a letter confirming the effective date of the AOC.

If you have any questions or comments regarding this letter, please contact Ms. Barbara J. Aldridge, Enforcement Officer, by e-mail at aldridge.barbara@epa.gov, or by phone at (214) 665-2712; Mr. Edwin Quinones, Superfund Attorney, by e-mail at quinones.edwin@epa.gov, or by phone at (214) 665-8035; or Mr. Joseph E. Compton III, Superfund Attorney, by e-mail at compton.joseph@epa.gov, or by phone at (214) 665-8506.

Sincerely yours,



Myron O. Knudson, P.E.
Director
Superfund Division

Enclosure

cc: Mr. Robert J. Huston, Chairman
Texas Natural Resource Conservation Commission
Mr. Albert M. Bronson, Assistant Attorney General
Office of the Attorney General, State of Texas